DOCUMENT RESUME

ED 208 474 EA 013 947

TITLE Citizens' Handbook on the Organization and Financing of the Washington Public School System. Revised.
INSTITUTION Washington Office of the State Superintendent of Public Instruction, Olympia.
PUB DATE Jun 81
NOTE 53p.

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Budgets; Buildings; Capital Outlay (for Fixed Assets); Elementary Secondary Education; Equalization Aid; Organization; School Districts; *School Funds; School Support; School Taxes; *State Aid; *State Legislation; *State School District Relationship
IDENTIFIERS State Aid Formulas; *Washington

ABSTRACT

Intended to answer questions regarding public schools in Washington, this handbook provides an overview of the organization and financing of the state's public school system, grades K-12. Included are brief descriptions of the Basic Education Act, the basic education allocation formula, how state and local funds are included in this formula, and how other funds are distributed to and received by school districts. One chapter deals with building fund revenues. How education is organized at the state and the school district level is touched on, with brief explanations of the board of education, educational service districts, and local school districts. A final chapter presents an overview of the actions taken by the 1981 legislature. (Author/JM)

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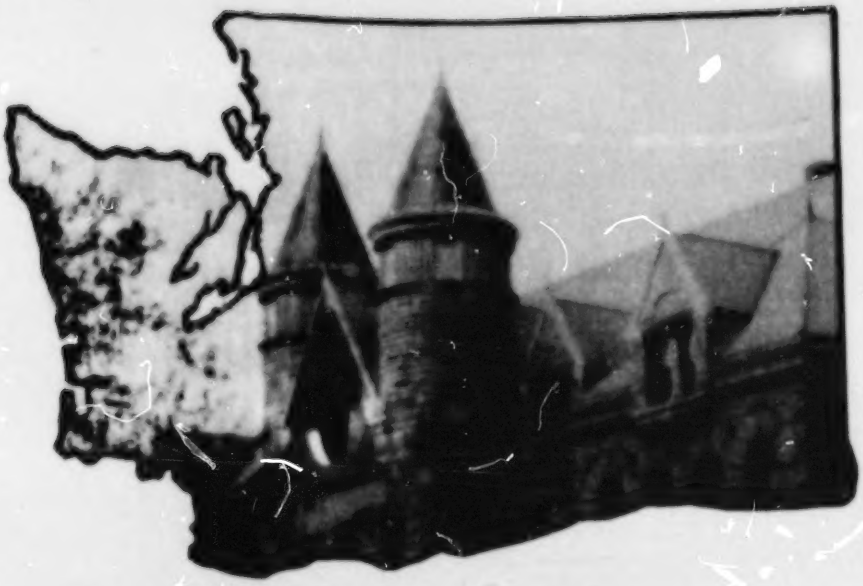

CITIZENS' HANDBOOK

on the Organization and Financing of the WASHINGTON PUBLIC SCHOOL SYSTEM

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Dr. Frank B. Brouillet, State Superintendent of Public Instruction, Olympia, Washington

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CITIZENS' HANDBOOK

ON THE

ORGANIZATION AND FINANCING

OF THE

WASHINGTON PUBLIC SCHOOL SYSTEM

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Revised
June, 1981

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FG-11

June, 1981

FOREWORD

This handbook is prepared to provide an overview of the organization and financing of the State's public school system, grades K-12.

Included in this publication are brief descriptions of the Basic Education Act, the basic education allocation formula, how state and local funds are included in this formula, and how other funds are distributed to and received by school districts.

It is my hope that this handbook will provide you with answers to many of your questions regarding the organization and financing of our public schools.

Frank B. Brouillet

Frank B. Brouillet
State Superintendent
of Public Instruction

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CHAPTER ONE

THE BASIC LAW

INTRODUCTION

"Our Constitution names education for all children as a paramount duty of the State. It requires the Legislature to provide for a system of public schools. . . ."

The above statement has been included in previous editions of this publication. In the main, it is the basic premise of recent superior and state supreme court decisions which have caused legislative changes in school funding.

On January 14, 1977, Thurston County Superior Court issued a declaratory judgment in the case of Seattle School District No. 1, et al., v. State of Washington, et al., to wit: **". . .(1) the level of funding provided by the State. . .was not fully sufficient. . .to fund the basic program of education offered by the district in accordance with state law;."** The decision went on to say, **"(2) Under existing state law, the legislature has established a general and uniform system for the public schools. . .but it has not (A) expressly defined basic education or determined the substantive contents of a basic program of education to which the children of this state are entitled in today's society or (B) provided a method for the fully sufficient funding of such education without reliance on special excess levies."** This decision was affirmed by the Washington State Supreme Court by a 6-3 decision on September 28, 1978.

Some of the legislative action designed to implement the "Seattle decision" --such as the Basic Education Act of 1977 and the formula change in law and the 1977-79 Biennial Appropriations Act--predated the Washington State Supreme Court decision; other changes were accomplished by the 1979 Legislature. These will be discussed in detail in later chapters.

Chapters One through Seven present the school finance situation as it has existed during the 1979-81 biennium, except where noted. Chapter Eight presents an overview of actions taken by the 1981 Legislature.

* * * * * * * * * * *

I. STATE CONSTITUTION

The legal foundation upon which the State's common schools are established is the state constitution. The following are excerpts from the constitution relating to the schools.

Article IX

Section 1. "It is the paramount duty of the State to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, caste, or sex."

Section 2. "The Legislature shall provide for a general and uniform system of public schools. . . .and such. . .normal and technical schools as may hereafter be established. . . ."

Article III

Section 22. "The State Superintendent of Public Instruction shall have supervision over all matters pertaining to the public schools, and shall perform such specific duties as may be prescribed by law . . . ."

Acting under this constitutional mandate, the legislature requires the Superintendent of Public Instruction to estimate the amount of state funds required to carry out the law.

II. STATE CODE OF WASHINGTON

The Revised Code of Washington (RCW) contains statutory law enacted by the state legislature. The following excerpts are taken from Title 28A RCW, that portion of state law which governs common schools:

> ". . .the superintendent of public instruction shall submit such detailed estimates and other information to the governor and in such form as the governor shall determine of the total estimated amount required for appropriation from the state general fund to the current school fund for state support to public schools during the ensuing biennium." (RCW 28A.41.040)

The Washington Basic Education Act of 1977 (BEA) establishes the "goals of the school system. . . ."

> "The goal of the Basic Education Act for the schools of the state of Washington set forth in this 1977 amendatory act shall be to provide students with the opportunity to achieve those skills which are generally recognized as requisite to learning. Those skills shall include the ability:
>
> (1) To distinguish, interpret and make use of words, numbers and other symbols, including sound, colors, shapes and textures;

(2) To organize words and other symbols into acceptable verbal and nonverbal forms of expression, and numbers into their appropriate functions;

(3) To perform intellectual functions such as problem solving, decision making, goal setting, selecting, planning, predicting, experimenting, ordering and evaluating; and

(4) To use various muscles necessary for coordinating physical and mental functions." (RCW 28A.58.752)

The Basic Education Act also prescribes a series of minimum percentages--90 percent in grades 1-3, 85 percent in grades 4-6, 80 percent in grades 7-8, and 55 percent in grades 9-12--of "total program hour offerings. . .in the basic skills areas of reading/language arts (which may include foreign languages), mathematics, social studies, science, music, art, health and physical education." In grades 9-12, "a minimum of fifteen percent of the total program hour offerings shall be in the area of work skills, and an additional ten percent in the areas of basic and/or work skills."

The Basic Education Act further establishes:

> "From those funds made available by the legislature for the current use of the common schools, the superintendent of public instruction shall distribute annually. . .to each school district of the state operating a program approved by the state board of education an amount which, when combined with. . .revenues (certain local revenues), excluding excess property tax levies, will constitute a basic education allocation in dollars for each annual average full time equivalent student enrolled, based upon one full school year of one hundred eighty days, except that for kindergartens one full school year may be ninety days. . . ." (Emphasis supplied.)

In the opinion of most of the participants in the legislative process, the definition of basic education and the BEA funding formula described in Chapter Four of this publication place the State in compliance with the state court's 1978 decision.

III. SUPERINTENDENT OF PUBLIC INSTRUCTION

The Superintendent of Public Instruction is one of eight state officials whose offices are established by the state constitution. The superintendent is elected on a nonpartisan basis by the voters of the State every four years.

The duties of the Superintendent of Public Instruction, as prescribed by the constitution, include supervision of matters pertaining to public schools. The superintendent also acts in an advisory capacity to other areas of public education. Regulatory duties include certification of teaching personnel, approval and accreditation of

programs, and apportionment of state and federal funds. The superintendent also provides assistance to school districts in statistical analysis, accounting, mananagement and curriculum development.

Long-range goals of the office of the Superintendent of Public Instruction are to: (1) provide leadership needed to administer full state support of the common school system to include both basic and selected categorical education programs; (2) promote the cooperation between locally controlled school districts and the State for achieving educational program goals; (3) improve basic skills and vocational education programs; (4) promote greater utilization of interdistrict cooperation and educational service districts; (5) improve the efficiency and effectiveness of the office of Superintendent of Public Instruction by a reduction in paper work, consolidation of reports, better use of data processing and word processing and maximum use of agency staff; (6) increase parental involvement in our schools; (7) promote local school district innovation and enrichment of educational programs; (8) increase emphasis on support services to school districts and educational service districts for strengthening curriculum and (9) increase assistance from the state office in implementing a more effective program management system in school districts.

IV. STATE BOARD OF EDUCATION

The State Board of Education is one of the oldest agencies of our government. It was created in 1877 by the legislature of the Territory of Washington and has operated continuously since that date. It was reconstituted by the state legislature in 1897, in 1909 and most recently in 1947.

The 1897 law provided for a majority of the board to be persons engaged in professional service, and the 1909 law provided for a board composed entirely of professional educators, which included university and college presidents and public school administrators. In reconstructing the board of education, the 1947 State Legislature established in law the principle that the board should be composed entirely of lay persons by providing that no person employed in the field of education shall be eligible for membership on the State Board of Education.

Members of the present board are elected for six-year, nonpaid terms by the members of boards of directors of each school district within the respective congressional districts at elections called by the Superintendent of Public Instruction. The votes cast by school directors are weighted by the enrollment in the directors' respective school districts. The terms of two or more members expire annually, assuring continuity on the board. The present board is composed of fourteen laymen, two from each congressional district, with the State Superintendent of Public Instruction designated, by statute, as president of the board. Two high school students are appointed yearly by the Washington State Association of Student Councils to serve as ex officio members of the board. In addition, all private schools in the State meeting minimum requirements specified in law elect one nonvoting member to the board.

The State Board of Education often is referred to as the voice of the public in determining basic educational policy. Its powers and duties are prescribed by law and relate primarily to the establishment of rules, regulations, standards and guidelines for the general management and operation of the public schools from kindergarten through the twelfth year and vocational-technical institutes. Under certain laws, such as govern the school construction aid program, the board is charged with specific administrative responsibilities.

The State Board of Education establishes requirements for teachers' certificates, approves courses and programs for teacher education at institutions of higher learning within the State (both public and private), determines the types and kinds of certificates necessary for all levels of the public schools and supervises the issuance of teachers' certificates. The State Superintendent of Public Instruction issues the teachers' certificates in accordance with regulations of the board.

Other areas of the public education program in which the board has statutory responsibilities include general government of the schools, courses of study, accreditation of secondary schools, school building construction, school district organization, relations between higher institutions and the common schools, preparatory requirements for entrance into state-supported higher institutions, minimum approval requirements for purposes of apportionment and approval of private schools.

State board meetings are held as required, averaging about seven per year. It is the policy of the board to hold its meetings in various locations in the State to provide an opportunity for interested citizens to become better acquainted with this State's system of public education and to encourage more local interest and knowledge of school problems and management.

The items on the board agenda are developed and presented by the staff of the State Superintendent and the Secretary of the State Board of Education prior to official action taken or policy decisions made by the board. The State Superintendent of Public Instruction votes only to break a tie.

CHAPTER TWO

SCHOOL DISTRICT ORGANIZATION BELOW THE STATE LEVEL

The legislature has created two levels of organization below the state level to administer the system of public education: educational service districts and local school districts.

I. EDUCATIONAL SERVICE DISTRICTS

Educational service districts (ESD) are regional administrative units that evolved from county and intermediate school districts. There are currently nine educational service districts within the State. A map setting forth the boundaries of the educational service district system can be found in the Addendum (Figure 1). The State Board of Education has statutory authority relating to the number and boundaries of educational service districts. Each ESD is governed by an elected board of seven members, with each member representing a subdivision of the district. They are elected by the school directors of each school district within the educational service district. At the educational service district board's option, the size of the board may be increased to nine members. Three ESDs have 9-member boards: ESD #121, ESD #123, ESD #189. The board has the responsibility to hire a superintendent to manage the affairs of the district.

The purpose of educational service districts as set forth in statute is to provide "**regional agencies which are intended to:**

(1) Provide cooperative and informational services to local school districts;

(2) Assist the superintendent of public instruction and the state board of education in the performance of their respective statutory and constitutional duties; and

(3) Provide services to school districts to assure equal educational opportunities."

Educational service districts are not taxing districts. Local school districts, at their option, provide funds through contracts or agreements to pay for services, generally for area cooperative programs. State dollars from the State General Fund are appropriated by the legislature to the Superintendent of Public Instruction for allocation to educational service districts based on a core services funding formula. Federal funds are either allocated directly to the educational service districts or are portions of grants administered by the Superintendent of Public Instruction. Figure 2 in the Addendum shows a breakdown of budgeted operating revenues and expenditures of all educational service districts for fiscal year 1980-81.

II. LOCAL SCHOOL DISTRICTS

The second organizational structure below the state level, and the one to which the legislature has delegated much authority, is the local school district. There were 300 local school districts as of October 1980.

Local school districts are of two classes:

1. First-Class District -- Any district having a student enrollment of 2,000 or more. As of October 1980, there were 84 first-class districts. They serve approximately 83 percent of the total state school population.

2. Second-Class District -- All districts having a student enrollment of less than 2,000. As of October 1980, there were 216 districts in this category. They serve 17 percent of public school students.

Second-class district budgets are required by law to be approved by a budget review committee. This committee consists of an educational service district representative, a representative of the local school district and a representative of the Superintendent of Public Instruction. First-class districts hold autonomy in this area.

There are two "divisions" among the above classes:

1. High School Districts -- High school districts may be either first or second class. As of October 1980, there were 243 such districts. High school districts must accept students of nonhigh school districts who elect to attend the high school program provided.

2. Nonhigh School Districts -- Nonhigh districts do not offer high school programs. As of October 1980, there were 57 nonhigh school districts.

Districts of the first and second class are governed by five elected school board members, except for Seattle, which has seven. Their powers and duties are broad insofar as they do not conflict with authority specifically reserved for the State or delegated to state officials.

CHAPTER THREE

TAXES--THE MEANS OF SCHOOL SUPPORT

I. STATE GENERAL FUND REVENUES AND EXPENDITURES

The state legislature appropriates funds for the operation of state government as well as for distribution to various local units of government, including school districts. The bulk of these appropriations is made from the State General Fund. See Figures 3 and 4 in the Addendum for a general breakdown of state general fund revenue sources and expenditures by function.

The State of Washington receives 71.4 percent of its general fund revenue from state taxation. The major revenue sources are illustrated in Figure 3, 1979-81 Biennium--Revenue by Source--State General Fund. The State has several funds in its accounting system, including bond redemption funds, retirement funds, liquor excise tax fund, motor vehicle fund, and General Fund. Appropriations for schools, other than construction funds, come from the State General Fund.

Washington State's chief revenue source is the sales tax. The State's portion of the sales tax is 4.5 percent on retail sales made in the State. This includes retail sales and rental of tangible personal property and the sale of many services, such as cleaning, maintenance, construction and accommodations. The retail sales and use tax provides 35.0 percent of estimated total revenues to the State General Fund for the 1979-81 biennium. The legislature, in April 1974, amended the state sales tax law to exempt drugs prescribed for human consumption from the sales tax. The state sales tax on food purchased for home preparation was eliminated as of July 1978.

The business and occupation tax is a tax on the gross receipts of most businesses in the State of Washington. The tax rate varies by class of business. The business and occupation tax is Washington's second largest source of revenue from within the State, and accounts for 12.1 percent of the general fund revenue for the 1979-81 biennium.

The state-collected property tax for schools accounts for 9.7 percent of general fund revenue and is discussed later in this chapter. All other taxes, such as the various excise taxes, the public utility tax, inheritance and gift taxes, state liquor tax, et cetera, contribute 14.6 percent of general fund receipts. Federal grants contribute 25.3 percent and miscellaneous sources contribute 5.3 percent of total state general fund revenues.

The significance of school funding in the state budget is illustrated in Figure 4, 1979-81 Biennium State General Fund Expenditures. Public schools receive 35.9 percent ($2.654 billion) of total expenditures,

while human resources (Department of Social and Health Services) get 34.8 percent, other education 14.4 percent and the remaining general fund categories 14.9 percent. The largest single user of general fund revenues is the public school system.

II. PROPERTY TAXES

The state-collected property tax for school support was implemented January 1, 1975, as part of an overall property tax limitation plan resulting from a constitutional amendment enacted by the voters in November of 1972. This amendment limited regular property taxes to 1 percent of 100 percent of true and fair value. Prior to this change, the constitutional limit had been 40 mills on an assessed valuation of 50 percent of true and fair value or an effective 2 percent levy limit.

The allocation of tax levies under the 1 percent limit is somewhat less than $10 per $1000 of true and fair value. The delineation has provided capacity for adjusting the state levy upwards by as much as an additional 85 cents per $1000 without infringing on the 1 percent constitutional limit. The following schedule presents the statutory property tax rates currently in effect:

Tax Authority	Incorporated Areas	Unincorporated Areas
State (for schools)	$3.60	$3.60
Counties	1.80	1.80
County Roads	-	2.25
Cities	3.60	-
Other	.15	1.50
	$9.15	$9.15

Even with the 1 percent limit, the property tax yield has increased over the previous millage allocations because of the appreciation in property values and the fact that the assessment levels--statewide--prior to 1975 were significantly below the constitutional level.

The 1979 Legislature limited the growth of state-collected property taxes to 106 percent of the highest tax levy of the three most recent years exclusive of new construction. This change will cause the yield of this tax to be reduced by a significant amount from what otherwise would have been collected. This same provision has been in effect for cities, counties and other taxing districts for a number of years. School district excess levies are still exempt from this provision. The effective collection rate for the state levy, due to the 106 percent limit, was $3.27 in 1980 and $2.90 in 1981. Effective rates for other taxing authorities have been similarly reduced by the property tax limit law.

The state property tax for schools is collected on the "adjusted valuation" of each county as explained below. The Department of Revenue determines a "County Indicated Ratio" for each county for each tax assessment year. This ratio is determined from real estate sales and assessment studies conducted in detail by the Department of Revenue. The results are used to adjust either the assessor's valuations or the levy rate to provide an equalized yield. For example, if a county is determined to be assessed at 75 percent of true and fair value, the 1981 levy rate of $2.90 would be adjusted to $3.87, or each $1000 of valuation would be adjusted to $1,333.33 by dividing the $2.90 or the $1000 by .75. If a county were at 90 percent, the results would be $3.22 and $1,111.11, respectively. If a county actually were determined to be at a 100 percent assessment level, the $2.90 would be collected at that rate on the actual assessor's valuation. This approach provides that all taxpayers of the State will pay their state taxes on an equal basis regardless of the assessment practices of their county.

The State collects all of the regular property tax for school support, and the proceeds are used as part of the basic education entitlement.

III. EXCESS LEVIES

Excess general fund (or maintenance and operation) levies are property tax levies also, but because of their historical significance are treated as a separate topic within this chapter. "Special levies"--a more frequently used term--have contributed significantly to school support in Washington. The failure of the Seattle School District excess levy for 1976 collections brought about the Washington State Supreme Court decision in Seattle v. State of Washington, the legislative definition of basic education, the state funding of that definition, and a dramatic decrease in the amount of excess levies to be collected now and in the future as compared to the historical pattern. The decrease in excess levy yields is directly related to the State assuming full funding of basic education.

No district is required to have excess local property levies. The excess levy route is available to districts which operate programs somewhat enriched above the state-guaranteed funding level. Special levies are submitted by local school boards for voter consideration at either a state primary, state general or on a special election date as provided by law.

There are now two constitutional provisions available for excess levy approval: (1) At least 40 percent of the voters voting in the last preceding general election in the district must vote on the issue(s), and the "yes" votes must equal at least 60 percent of those voting on the issue(s), or (2) if the number of votes cast on the proposition is less than 40 percent of the total votes cast on the issue in such taxing district at the preceding general election, "yes" votes must equal 24 percent of the total votes cast in that preceding general election for the issue to pass. (Voter approval for bond issue elections is covered in Chapter Six.)

In 1976, the voters of the State approved a measure amending the state constitution to allow school districts to request maintenance and operation levies for a two-year period. As a result, districts now have the option of submitting either a one-year or a two-year levy request.

As a part of school finance changes brought on by the court decision, the 1977 Legislature enacted a levy limitation act which effectively limited excess levies to 10 percent of 100 percent of the Basic Education Act (BEA) allocation of the school year previous to the levy collection year, plus the difference between the actual funding level and the 100 percent state indicated level. For the 1978-79 school year, state basic education funding was at an approximate 85 percent level. Therefore, the 1980 excess levy limit was equal to the sum of the 15 percent basic education deficit plus 10 percent of the 100 percent level. Under terms of the 1977 levy lid law, certain school districts were authorized to exceed the 10 percent levy lid. This provision is commonly called the "grandfather clause." The current grandfather clause is explained later in this section.

The 1979 Legislature expanded the levy limit base to include 10 percent of state categorical funding, such as provided for transportation and handicapped education. Thus, with full funding of basic education for the 1979-80 school year, levy limits for 1981 and future years are 10 percent of the BEA entitlement, plus 10 percent of state categorical grants, plus any grandfather allowance, as described below.

In the event a school district does not receive for the then current school year at least 106 percent of the previous school year's funds per full-time-equivalent pupil from the combination of its BEA allocation and excess levy revenue as received from the same revenue sources for the prior school year, the district is eligible for grandfather levy status. Such a district may submit a levy to the voters which, if passed, would provide the district with funds sufficient to reach 106 percent of the previous year's amount per student from the specified revenues. If the district exercises its option to submit the larger levy amount to the voters, it is quite likely that the grandfather levy will be greater than the preceding year's amount. In these districts, the 10 percent levy limit is lawfully exceeded. For the 1981 tax collection year, 123 districts had grandfather levy capacity.

The grandfather clause was originally scheduled to expire with the 1982 tax collection year. However, the 1981 Legislature modified the grandfather provision in the levy lid law. First, the 1981 amendments limit future grandfather status to school districts eligible for grandfather levy capacity for the 1982 tax collection year. Second, the amendments allow eligible districts to qualify for grandfather levy capacity through the 1989 tax collection year. Third, levy capacity for collection in 1983 is frozen at the 1982 grandfather amount. Fourth, commencing with levies collectible in 1984, a seven-year phaseout of grandfather capacity will be

instituted with proportionate reductions of the 1982 grandfather amount occurring in future years through 1990 when all district excess levies will be limited to 10 percent of the prior year's state and local funding.

In order that an appreciation of the impact of state assumption of basic education funding and the related special levy lid may be gained, a series of graphs and tables are presented. (See Figures 5 through 8 in the Addendum.)

IV. TIMBER EXCISE TAX

The 1971 Legislature made major changes in the system of taxation of timber and forest lands in Washington. The legislation exempts standing timber from the property tax base and substitutes an excise tax based on the stumpage value of the timber at the time of harvest. The present rate of this tax, as established by the legislature, is 6.5 percent. Private timber land remains subject to annual property taxes with values for taxation purposes determined by the Department of Revenue based on the land's ability to grow trees (current use).

Moneys are distributed to taxing districts, including school districts and the State (as collector of the regular school levy), based on two formulas: (1) a timber factor and (2) a harvest factor. In order to receive a distribution under the timber factor, a school district must have both a property tax levy for the budget fund in question, i.e., general fund, building fund, bond fund, and a timber roll. In order to receive a distribution under the harvest factor, a school district must have both a property tax levy for the budget fund in question and have had timber harvested within the district during the past five years. The aggregate property tax levy rates for all taxing districts with private timber lands determine the distribution of the timber excise tax revenue.

CHAPTER FOUR

BASIC EDUCATION FUNDING

Washington is the first state in the nation with the exception of Hawaii--a single school district state--to assume the responsibility for a fully funded basic education program for its public school system. The state equalization appropriation is called the basic education allocation (BEA).

Whereas school apportionment formulas in the past have been designed to equalize tax resources among the districts of a state--usually the property tax--Washington's formula is now intended to provide equalization in three major aspects:

1. Program content, as evidenced in the Basic Education Act of 1977 as amended.

2. The staffing and nonemployee allocations, as evidenced in the formula set forth in the Appropriations Act for 1979-81.

3. The resources, at the prescribed level identified in the Basic Education Act and the Appropriations Act without dependence on excess levies.

Each district's basic education allocation is determined by using three basic elements--a ratio of one certificated position for each 20 average annual full-time-equivalent pupils, stated in terms of a ratio of 50 certificated staff positions for each 1000 full-time-equivalent students enrolled (50:1000); one classified staff position for each three certificated positions; and a nonemployee-related cost allocation for each certificated position generated at the above ratio.

In addition, school districts experiencing an enrollment decline are allowed additional certificated staff unit allocations based on one-half the actual number of students lost between the current and previous years. During 1980-81, about 44 school districts receive additional funding for enrollment decline. The declining enrollment factor tends to accommodate large school districts which are experiencing an outward migration of students. There is no nonemployee-related cost allocation for these enrollment decline staff units.

The formula also provides recognition of small school needs. Small school districts enrolling less than 100 full-time-equivalent pupils and small school plants declared to be remote and necessary by the State Board of Education are guaranteed no less than three certificated staff employees for the first 60 students, or portion thereof, enrolled in grades K-6; one certificated position for the first 20 students, or portion thereof, enrolled in grades 7 and 8; and at least 9.5 certificated positions for the first 60 students enrolled in grades 9-12. Any district operating a high school program with fewer than 300 full-time-equivalent students is eligible to use the grades 9-12 ratio stated above plus one certificated position for each 43.5 full-time-equivalent pupils enrolled above the first 60. Classified staff units and nonemployee cost allocations are allowed for these units also in the ratio and amount stated above.

The small school factor takes into consideration the sparsity factor over which many of our small schools have no control. During 1980-81, 35 school districts qualify for remote and necessary funding, 13 school districts receive funds for remote and necessary schools within the districts, and 110 school districts have small high schools.

The formula also includes enrichment factors for approved secondary vocational education programs. The ratio for vocational programs is 60:1000 as compared with the 50:1000 allocation for basic education certificated staff. The state allocation for nonemployee-related expenditures is higher for vocational programs than it is for the basic program. For 1979-80, the nonemployee-related cost allocation for the basic program was $3,910 per certificated staff unit, and $6,893 for the vocational allocation; for 1980-81, the allocation is $4,184 and $7,375, respectively. These amounts are specified in the biennial appropriations act.

The formula elements are uniformly applied to each of the State's 300 school districts. The major equalization of the basic education revenues, however, is attained when the staff salary methodology is applied to the ratios. Before addressing the specific method for using the salary provisions, it is necessary to mention two principal components of the method. These are referred to as the "staff mix factor" and the "derived base salary" of a district, and both are explained below.

The Legislative Evaluation and Accountability Program (LEAP) Committee, a research arm of the legislature, has developed a staff weighting table (hereafter called LEAP table) which reflects the format of a generally accepted and typical school district salary schedule for certificated employees. (See Figure 9 in the Addendum.) The numerical factors set forth at each step of the LEAP table indicate how much greater the salary recognized at that step is than the starting base salary due to an employee's experience and education. The staff mix factor of a district for a given year is established by placing the district's certificated employees on the LEAP table according to their actual experience and education and computing an average mix factor for the district. The average factor thus established constitutes the staff mix factor which is sensitive to each district's average certificated staff experience and education and the resultant cost variances.

With the foregoing explanation in mind, the means of computing a district's 1979-80 recognized average certificated salary, inclusive of salary increases and increments, may be illustrated by the equations set forth below.

First, a district's 1978-79 derived base, or derived starting salary for a teacher with a bachelor's degree and no teaching experience, is computed by dividing the 1978-79 actual average BEA certificated staff salary of a district by its 1978-79 staff mix factor. Stated as an equation:

$$\frac{\text{1978-79 Actual Average Salary}}{\text{1978-79 Staff Mix Factor}} = \text{1978-79 Derived Base Salary}$$

Second, the 1978-79 derived base salary of the district is increased by 8.5 percent if it is below the 1978-79 state average derived base salary ($11,655), or 6 percent if it is above the state average; the result is then multiplied by the district's 1979-80 staff mix factor. The net effect is to compensate the district for both experience and education increments as recognized on the staff mix factor table. Stated as an equation:

1978-79 Derived Base Salary	+	6% or 8.5%	x	1979-80 Staff Mix Factor	=	1979-80 Recognized Average Salary

To compute a district's recognized certified salary level for school year 1980-81, the 1978-79 derived base salary is adjusted by the defined percentage increase to yield the 1979-80 derived base salary. This figure is compared to the stipulated statewide derived base salary for 1979-80 ($12,479) and, depending again on whether the district's derived base salary is above or below the state figure, is increased by either 8.5 or 6 percent. The result is multiplied by the district's mix factor for 1980-81 to yield the state-recognized certified salary level for said district.

The recognized statewide average salary was $20,179 for 1979-80 and is $21,633 for 1980-81.

In addition to the certificated salary allocations, each district receives fringe benefit allocations to cover district costs. These include social security, industrial insurance and unemployment compensation contributions, and are allotted to school districts on a percent-of-total-salary basis.

For 1979-80, each district received a classified salary allocation equal to its 1978-79 average plus an increase of 8 percent. For 1980-81, an additional 6 percent has been provided. Districts also will receive the appropriate fringe benefit cost allocations which, in the case of classified personnel, include the retirement contribution in addition to those fringe benefits listed for certificated personnel.

The total BEA allocation is supported by state funds amounting to approximately 90 percent of the formula amount and 10 percent from dedicated local revenues. For the 1980-81 school year, revenues from the following sources are formula deductibles pursuant to law and rule of the Superintendent of Public Instruction:

Real Estate Excise Tax
County In-Lieu-of Tax Receipts
Federal In-Lieu-of Tax Receipts
County Administered Forest Funds
State Forest Funds
Federal Forest Funds
Public Utility District Excise Tax
Timber Excise Tax - Reserve Fund

These deductions are estimated to total $114 million for 1980-81.

The 1980 Legislature amended state law to direct that revenue from the real estate excise tax, the P.U.D. excise tax, certain parts of the federal forest funds and certain parts of state forest funds be deposited in the State General Fund and used by the State for the benefit of the public schools. These amendments remove about 95 percent of the currently existing deductible revenues from local school district receipts.

It is estimated that formula deductible revenues will amount to $17.4 million in 1981-82 and $17.9 million in 1982-83.

BEA payments to school districts are made monthly on a school fiscal year basis--September through August. Initially based on estimates, the allocations are adjusted during the year to reflect actual enrollments, staff factors and local revenues. The allocation is an entitlement, and does not require specific actions of the school districts other than compliance with the Basic Education Act.

CHAPTER FIVE

OTHER OPERATING REVENUES FOR LOCAL SCHOOL DISTRICTS

I. OTHER STATE REVENUES - GENERAL

In addition to the BEA support as described in Chapter Four, and to the categorical program funding covered later in this chapter, there are a significant number of other state allocations to local school districts. Amounting to about $9 million for the 1979-80 school year and $10.7 million for 1980-81, these allocations relate to the State assuming a stronger role in funding basic education, and are described below:

A. Health Benefits -- All state-funded positions, both certificated and classified, are allotted $85 per month for 1979-80 and $95 per month for 1980-81 for health benefits.

B. Extracurricular and Extended Duty Pay -- An allocation of $85 per year is provided for state-funded, full-time-equivalent certificated staff in programs of basic education, vocational secondary education, general support, handicapped education and special needs.

C. Substitute Teachers -- An allocation of $40 per day for not more than five days per state-supported classroom teacher is provided if substitutes are hired to take the place of classroom teachers. The maximum amount of funds a school district may receive from this appropriation is $200 per state-funded classroom teacher per year.

D. Emergencies and Other -- Approximately $1.4 million for the 1979-81 biennium has been provided for district emergencies, such as fire, flood, earthquake or acts of God, for payments to fire districts for schools in unincorporated areas and for certain nonhigh districts' levy lid relief related to high school district billings.

II. OTHER STATE REVENUES - CATEGORICAL PROGRAMS

The legislature provides, through separate appropriations, for the funding of several special or categorical programs. Compensation improvements, together with the health benefits for all state-funded certificated and classified positions of these programs, are funded at the same rate or percent as other district employees and are in addition to the categorical program allocations. The 1979-81 Biennial Appropriations Act allots approximately $34.8 million for salary and fringe benefits for categorically funded personnel.

The major categorical programs and the estimated 1979-81 expenditures are as follows:

A. Programs for the Handicapped -- This program reimburses local school districts for costs associated with programs which provide educational opportunities to children whose educational progress is impaired by physical, mental, emotional or other handicaps.

A full-cost model was implemented in the 1980-81 school year. This model provides funds to school districts based on a handicapped student's educational delay and not on his specific handicapping condition. The model also determines what portion of educational support is provided to the child in the regular basic education program and now funds these activities as part of the handicapped education program.

State expenditures for handicapped education in 1979-80 equalled $63 million and are estimated at $73.8 million for 1980-81.

B. Pupil Transportation -- State support for the operation of the pupil transportation program is computed essentially on the basis of approved route miles, driving time, drivers' salaries, maintenance and operation costs and supervisory costs. The acquisition of approved transportation equipment is also supported with state funds. 1979-81 state expenditures for transportation are estimated at $153.2 million.

Reimbursable transportation includes:

1. To and from school transportation;
2. Transportation between schools necessary for basic education requirements;
3. Transportation to and from extended learning centers (i.e., Pacific Science Center), and
4. Extended day routes meeting the requirements of WAC 392-141-007.

Nonreimbursable transportation includes:

1. Extracurricular;
2. Transportation of spectators or team participants;
3. Field trips;
4. Other activities such as ski schools and other recreational activities;
5. Transportation of students closer than two miles to the school they attend when there is no hazardous condition, and
6. Extended day routes not meeting the criteria set forth in WAC 392-141-007.

State reimbursement may be reduced a standard percentage on a statewide basis depending upon the availability of appropriated funds. The fiscal year 1979-80 reimbursement rate was 88 percent of approved costs, and for 1980-81 is approximately 79 percent.

The support for equipment acquisition on an established depreciation schedule during the 1979-81 biennium has varied from 90 to 100 percent. For either operation or capital outlay purposes, the costs above the state support level become a local burden.

C. Traffic Safety Education -- A portion of the fines levied for moving traffic violations and bail forfeitures is placed in the Traffic Safety Education Account. Reimbursement is made to school districts from this account for traffic safety education instruction. The 1979-81 biennial expenditures for traffic safety education are approximately $13 million.

D. Vocational-Technical Institutes and Adult Education -- Five school districts maintain vocational-technical institutes. Within annually reviewed enrollment allocations, a dollar amount is allowed for each full-time-equivalent student. Compensation improvement and health benefits are provided for vocational-technical institute employees at the same rate or percent as other district employees. State biennial expenditures for these programs are approximately $37.9 million. Student fees help support these offerings.

E. School Lunch Program -- The National School Lunch Program requires a matching effort in state funds. School district lunchroom employees, prior to the 1979-81 biennium, have received salary and fringe benefits comparable to other classified personnel of the districts. The biennial appropriation of $6.5 million will meet the federal matching requirement but does not provide compensation increases. Student reimbursement accounts for 50 percent of food service costs.

F. Special Needs Program -- The 1979 Legislature funded a number of unique offerings known collectively as the "Special Needs" program. The subprograms and the state biennial cost estimates for 1979-81 are as follows:

• Gifted Programs	$ 2,492,000
Fort Worden Gifted Program	230,000
• Bilingual Program	5,323,000
• Remediation Program	13,425,000
• Urban Rural Racial Disadvantaged Program	7,434,000
Project PUSH-EXCEL	750,000
	$29,654,000

G. State Institutional Programs -- A year-round, 220-day educational program is provided by local school districts for children of state residential facilities. The Department of Social and Health Services is responsible for the care aspects of the program while the educational program is funded through the

Superintendent of Public Instruction and administered by local school districts. 1979-81 biennial state fund expenditures are estimated at $14.5 million for the educational program.

III. FEDERAL FUNDS

Appropriations of federal funds fall into three basic categories:

(1) general purpose allocations;
(2) categorical program grants;
(3) specific project or target population grants.

A. Federal Forest Funds -- Current statutes require county commissioners to distribute the proceeds from national forest receipts between schools and roads in their counties. The division between schools and roads is legally specified at not less than 50 percent for the schools, based on pro rata enrollment of the districts in which timber cutting took place the year previous.

In school year 1979-80, proceeds amounted to $19.5 million. The amount of such funds varies greatly from year to year, depending upon the harvesting activities in the federal forest lands within the various counties. This source is a 100 percent deductible revenue in the basic education allocation formula process.

B. Public Law 874 Funds -- Approximately $19.5 million annually is currently being provided by federal appropriation to qualified districts serving children who either reside on federal property or reside with parents employed on federal property. It is not presently a deductible revenue in the BEA formula process.

C. Elementary and Secondary Education Act Grants -- Under the Elementary and Secondary Education Act of 1965 (ESEA), expenditures are expected to total $106.9 million for Washington schools during 1979-81 for the purpose of meeting the needs of certain educationally disadvantaged children, particularly those of low-income families residing in each community. Other needs met with the use of this money include acquisition and use of library resources, and the strengthening and improvement of other programs.

D. Handicapped Education Program -- Federal funds are provided to insure that adequate and appropriate educational services are provided for all handicapped pupils of the State. The funds are an enhancement of the state-funded programs and thus are supplementary to the basic allocation. A total of $31.5 million is provided for the 1979-81 biennium.

E. National School Lunch and Special Milk Program -- The school lunch program is operated to provide a low-cost, nutritious lunch for school children. The federal subsidy provides $61.8 million for the 1979-81 biennium, an estimated 35 percent of anticipated school lunch program costs.

F. Other Federal Funds -- There are several other federal grants given to the State, the distribution of which is managed by the Superintendent of Public Instruction. The programs and the estimated biennial entitlement are as follows: Indian Education, $1,888,000; Adult Basic Education, $2,988,000; Institutional Education, $4,275,000; Career Education, $287,000.

In addition to the above types of federal programs, certain allocations are provided directly to school districts by federal agencies and therefore are not appropriated by the state legislature. The local district is the best source of information on such programs.

IV. OTHER LOCAL RECEIPTS

As part of the total financial plan of the districts--the annual budget--districts include estimated receipts from three sources not heretofore mentioned. These include: "Local Nontax Revenues" which are essentially student fees and tuition, investment earnings and grants, gifts and donations; "Local Reimbursements" which include lunch reimbursement, sale of supplies and materials, fines, insurance recoveries or other reimbursements; and "Payments From Other Districts" which cover receipts for services rendered to other school districts. Again, the local district is the best source for information regarding such funds.

CHAPTER SIX

BUILDING FUND REVENUE

The school district building fund budget constitutes a completely separate fund from the district general fund or bond fund.

Building funds may be used by school districts to finance the purchase and/or improvement of school sites, the construction of new facilities and remodeling or modernization of existing buildings, and for initial equipment, library books and textbooks. Building funds are budgeted as needed, virtually annually, in large or growing districts. In smaller districts and those with stable enrollments, this fund is quite often dormant.

The decision to purchase sites or construct facilities is entirely within the authority of the local district board of directors.

Moneys accrue to the Building Fund from local revenues and miscellaneous sources and, in addition, the State provides matching funds for many projects.

I. LOCAL REVENUES

These are derived from two major sources, with the additional option of drawing from minor sources. The major sources are:

A. The Sale of Bond Issues -- In recent years, this has been the primary source of funds. Bond issues must be authorized at a special or regular election by at least 60 percent of the voters casting ballots. A further qualification requires that a 40 percent voter turnout is always based upon the number of votes cast in the most recent state general election. Such bonds are amortized by a levy which is authorized at the time the issue is approved.

The statutory limit for school district debt is 5 percent as follows:

- 3/8 percent without a vote of the people
- 2-1/2 percent with a vote of the people--to include the 3/8 percent
- 2-1/2 percent with a vote of the people, provided that this additional 2-1/2 percent is used for capital outlay

B. The Approval of Excess Building Fund Levies -- Excess levies for the Building Fund are subject to the same requirements for passage as the excess levies for the General Fund. Building Fund levies have a one-year limitation.

The most common minor revenue source available to the Building Fund is interest earned from investing building fund moneys. Following the sale of a bond issue, there is often a period of time before payments must be made to contractors. It is permissible for districts to invest these funds in U.S. Government securities with interest accruing to the Building Fund.

II. STATE REVENUES

The State Board of Education administers the school construction assistance program under statutory authority. Since the program began in 1947, approximately $1 billion in state revenues has been allocated to local school building projects.

Prior to 1965, these revenues were derived from bond issues authorized by the legislature, which were amortized from proceeds accruing from the sales tax, cigarette tax, motor vehicle excise tax, et cetera. Since 1965, the revenues have come from a constitutionally dedicated source--the Common School Construction Fund. These funds have basically come from the sale of renewable resources--primarily timber--from state school lands set aside to fund education by the Enabling Act of 1889. The 1965 funding change also permits the sale of bond issues when there are insufficient funds in the Common School Construction Fund to meet authorized appropriations. Such bonds are not a general obligation of the State, but are payable solely from interest earned on the Permanent Common School Fund.

The amount of state building funds to which a district is entitled is determined according to a statutory formula. The formula establishes a relationship between the adjusted assessed valuation per pupil in the individual district and the statewide adjusted assessed valuation per pupil, thus, in effect, measuring the district's wealth per pupil. The resulting distribution pattern provides state assistance on building projects from a statutory ceiling high of 90 percent of the cost in the least wealthy districts to a low of 20 percent in the wealthiest districts. Additional percentage points--to a maximum of 20 percent--are provided to districts that have experienced growth during the latest three-year period computed on the basis of 1 percent additional for each 1 percent of growth.

The formula is set forth in statute as follows:

$$\text{Computed State Ratio} = \frac{3 - \left[\text{District adjusted valuation per full-time-equivalent pupil} \div \text{Total state adjusted valuation per full-time-equivalent pupil}\right]}{3 + \left[\text{District adjusted valuation per full-time-equivalent pupil} \div \text{Total state adjusted valuation per full-time-equivalent pupil}\right]} = \text{-\% State Assistance}$$

The formula is designed to provide the average district with 50 percent state aid.

Districts qualify for state aid on two bases. The first is need, as expressed by unhoused pupils (resulting either from enrollment growth and/or the need to replace unsafe or poor facilities). If a district can document a need based on program, it can also qualify for assistance on a modernization project. Secondly, districts must have authorized, by bond issue or a building fund excess levy, or a combination of both, sufficient local funds to cover their share of the cost of the project(s). State Board of Education school construction standards, by statute, must require a minimum bonded indebtedness or a combination of authorized bond issues and building fund levies equal to 2-1/2 percent of the assessed valuation in the school district at the time of allocation of the matching funds, or such lesser amount as determined by the board. The 2-1/2 percent requirement has been waived in recent years due to record high property assessment levels.

At any time local voters authorize funds, the district may construct any facilities it desires without State Board of Education approval and without state support.

III. MISCELLANEOUS BUILDING FUND REVENUES

A. Federal Aid -- Districts which qualify for Public Law 874 operational assistance may also qualify for capital construction needs through Public Law 815. From 1951 through 1969, Washington school districts had been allocated a total of $51.8 million from this source. Since 1969, the total statewide allocation from this source has only been $13.2 million. Other sources of federal funds for construction purposes include: Atomic Energy Commission, $1.5 million; U.S. Corps of Army Engineers, $1.75 million; Economic Development Grants, $15 million; and the Trident impact, $16 million.

B. Washington Public Power Supply System -- School districts in areas impacted by power generating facilities of the Washington Public Power Supply System have been provided $3.7 million in building assistance eligibility from this source.

C. Insurance Settlements -- Settlements received by school districts for fire damages or other losses are placed in the Building Fund.

D. Sale of School Property -- Whenever a school building or site is sold, the money is either deposited in the Building Fund or used to reduce bonded indebtedness.

E. Gifts -- On occasion, school districts may be the recipients of gifts for the Building Fund.

F. Other Sources -- Receipts derived from federal forest lands, state forest lands, the 1 percent real estate excise tax, or the P.U.D. excise tax may be placed in the Building Fund. Under certain circumstances, various other local resources may become available to the Building Fund.

CHAPTER SEVEN

SCHOOL DISTRICT BUDGETS

School districts are required by law to prepare and adopt budgets on forms provided by the Superintendent of Public Instruction in accordance with the following time schedule as set forth in Chapter 28A.65 RCW:

Final Date for Action	First-Class Districts	Second-Class Districts
July 10	Final date to prepare budget.	Same.
July 15		Final date to have copies of budget available to public.
July 15		Final date to forward one copy of budget to educational service district for review and comment.
July 20	Final date to have copies of budget available to public.	
August 1		Final date for adoption of budget.
August 3		Final date to forward five copies of adopted budget to educational service district for review, alteration and approval.
August 31	Final date for adoption of budget.	Final date for budget review committee to approve budget.
September 3	Final date for filing four copies of adopted budget with educational service district.	
September 10	Last date for educational service district to file a copy of budget with the Superintendent of Public Instruction, the office of the State Auditor and the appropriate county auditor. One copy will be retained by the educational service district.	Same, except one copy of budget returned to school district.

Generally, a school district has four budgets which are known as the General Fund, Building Fund, Bond Interest and Redemption Fund, and Associated Student Body Program Fund budgets. The General Fund is for maintenance and operations which includes teaching, pupil transportation, food services, buildings and grounds maintenance, and administration of the district. The Building Fund covers site acquisition and the construction of buildings. The Bond Interest and Redemption Fund accounts for interest on and redemption of bonds which have been sold by school districts to raise funds for site acquisition and building construction. The Associated Student Body Program Fund consists of funds of formal student organizations which operate under the approval and control of the school district.

State summaries of each of these funds for the 1979-80 and 1980-81 school years (Figures 10 through 13) can be found in the Addendum. Also included is an Expenditure by Program Statement for the General Fund (Figure 14) and charts of School District General Fund Revenues and Expenditures (Figures 15 and 16).

CHAPTER EIGHT

SUMMARY OF 1981 LEGISLATIVE SESSION

The 1981 Legislature passed a number of laws affecting methods and programs discussed in previous chapters of this handbook. While most of these changes will be implemented in school years 1981-82 and 1982-83, the following review of changes is presented to give the reader the most current information available. The summary parallels the text of the handbook and includes cross references to chapters and subjects affected.

CHAPTER FOUR: BASIC EDUCATION FUNDING

Formula

The number of certificated staff units generated by secondary vocational education programs has been reduced from 60 per 1000 full-time-equivalent students to approximately 55 per 1000. Nonemployee-related cost allocations for the basic program are set at $4,684 for 1981-82 and $5,166 for 1982-83. For the secondary vocational program, the nonemployee allocations are $8,182 and $8,964 for the respective school years. The enrollment decline factor has been reduced from 50 percent of the students lost between the current and previous year to 25 percent. Certain small school districts will receive additional staffing allocations.

Salaries

School districts' authority to grant compensation increases to employees has been limited to amounts specified in the biennial budget. The 1981 Legislature has reaffirmed the goal of equalization of school district base salaries in 10 years.

The plan establishes a target salary level for base salary equalization by the 1988-89 school year. The percent of salary increase necessary to get each of the State's 300 school districts from current salary levels to the targeted level in 1988-89 is calculated by the legislature. Employees in school districs with base salaries above the state average in 1980-81 will get lesser salary increases than school districts with below-average base salaries. Each school district has a unique percentage increase specified depending on its relationship to the 1980-81 state average.

In addition to specifying each district's salary increase for each year of the biennium, the 1981 Legislature enacted a salary limitation law for school district employees. Under terms of this law and the 1981-83 Appropriations Act, if a school district grants its employees more than the increase specified in the appropriations act, the Superintendent of Public Instruction is directed to withhold 5 percent of that district's basic education allocation. In addition, school districts which granted employees salary increases greater than legislatively specified increases during the 1979-81 biennium have their legislatively specified increases in

1981-83 rolled back by the 1979-81 increases granted in excess of the legislative guidelines. In a few cases, this mandated rollback will result in school districts receiving no salary increase funds for both years of the 1981-83 biennium.

CHAPTER FIVE: OTHER OPERATING REVENUES FOR LOCAL SCHOOL DISTRICTS

General

Insurance benefit allocations for state-funded positions are $121 per month for 1981-82 and $137 per month for 1982-83. Funds were not appropriated for extracurricular or substitute teacher pay. However, $250,000 was provided for district emergencies.

Categorical Programs

The 1981 Legislature continued the funding of pupil transportation, programs for the handicapped, special needs programs, vocational-technical institutes and adult education, educational programs in state institutions, the school lunch program, and traffic safety education. In addition, a new appropriation was made entitled "Block Grants." Significant changes in these programs are noted below:

Handicapped: While the 1981 Legislature retained the full-cost model for allocating funds for programs for the handicapped, it increased the student and staff ratios specified in the model and transferred eligibility categories for the behaviorally disabled, learning disabled and communication disordered from the model to the block grant allocation described below.

Pupil Transportation: The current reimbursement method has been retained for the 1981-82 school year. The transportation operation is estimated to be funded at 78 percent of the state-approved program for 1981-82. The current reimbursement method for funding approved transportation costs is to be replaced by an allocation system effective with the 1982-83 school year. An allocation system is expected to enable the State to better estimate transportation costs, provide school districts with a more stable source of funding and remove the State from compliance review, thereby increasing local control and reducing paper work. The system will be based on mileage estimates supplied by the local districts and standard rates determined by the Superintendent of Public Instruction. An additional depreciation schedule for buses purchased beginning in 1982-83 will also be implemented in that year.

Block Grants: The 1981 Legislature appropriated funds for block grants for a number of programs previously funded by separate appropriations.

Block grant funds may be expended for special instructional programs, including but not limited to: remediation assistance, cultural enrichment, bilingual, preschool education, alternative education, community involvement (including PUSH-EXCEL), environmental education,

education for superior students, Indian education, Pacific Science Center, and programs for the specific learning disabled, communication disordered, and behaviorally disordered.

These funds are to be distributed to school districts generally based on funding patterns which existed in 1980-81.

According to the legislature, block grant funding is designed to:

1. Meet program needs beyond that required by the basic education law;
2. Promote local control and decision making;
3. Eliminate open-ended entitlements;
4. Indicate a new thrust in reduction of paper work and administrative red tape by consolidating funds.

CHAPTER SIX: BUILDING FUND REVENUE

The 1981 Legislature changed the name of the Building Fund to the Building and Capital Projects Fund and established a new fund to be known as the Building Reserve Fund.

The Building Reserve Fund receives revenue from the sale of real property and the proceeds from rents and leases of real property that were formerly deposited to the credit of the Building Fund.

The Building Reserve Fund may be used for the acquisition of additional equipment, conducting energy audits, making energy capital outlays that are documented to be cost effective by an energy audit, and transferring moneys to the Building and Capital Projects Fund.

CHAPTER SEVEN: SCHOOL DISTRICT BUDGETS

The following schedule presents the 1981-83 biennium appropriations (state sources only) as passed by the legislature:

Program or Function	Amount
Basic education formula	$2,624,260,000
Salary and compensation increases	182,988,000
Teachers' retirement contributions	286,500,000
Pupil transportation	185,828,000
Vocational-technical institutes	43,134,000
Food service	7,157,000
Handicapped	121,294,000
Traffic safety	13,740,000
Educational service districts	4,435,000
Block grants	109,770,000
Institutional education	15,438,000
July and August payments	706,000
Educational clinics	1,000,000
Superintendent of Public Instruction	14,157,000
	$3,610,407,000

ADDENDUM

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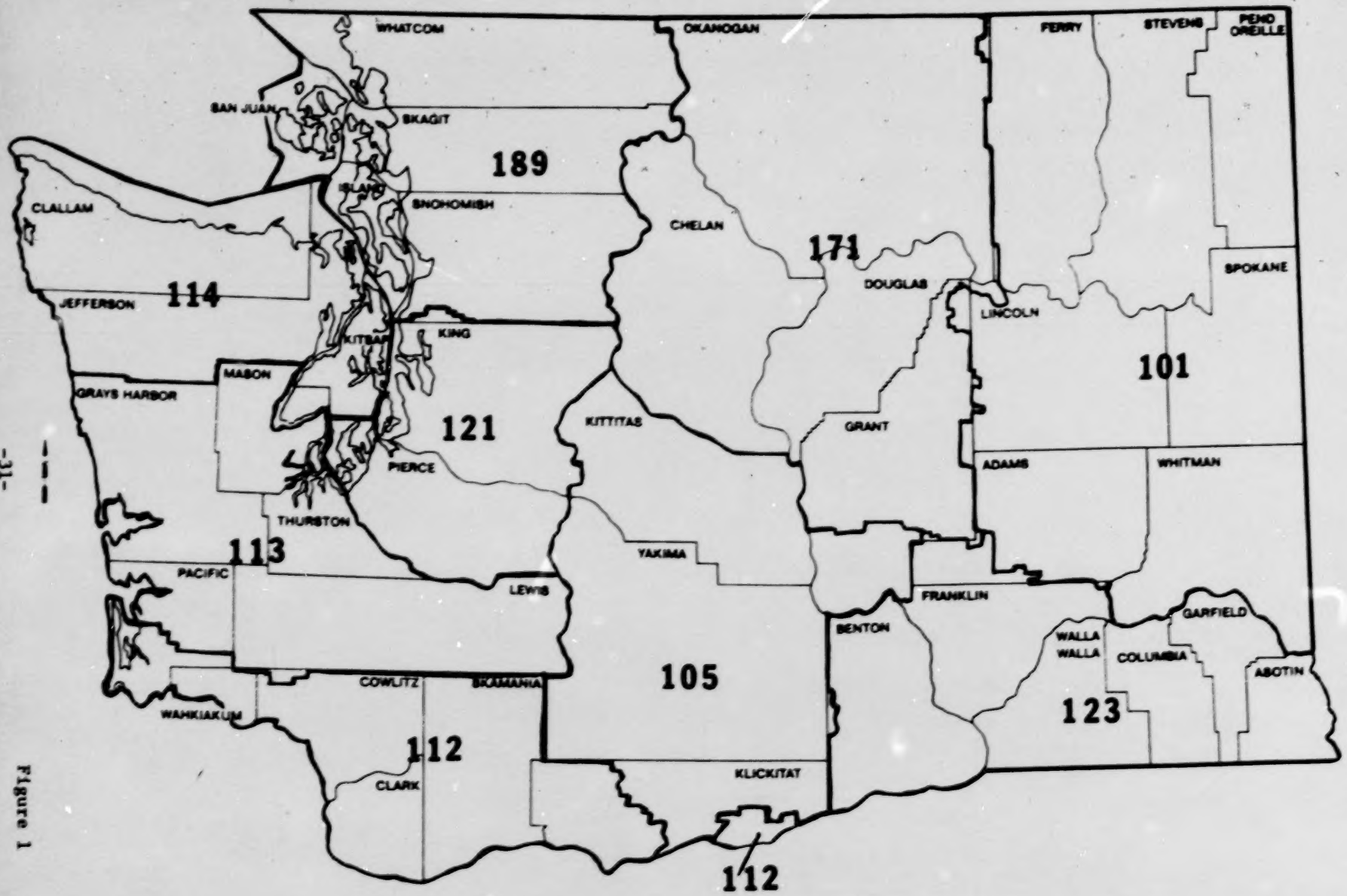


Figure 1

EDUCATIONAL SERVICE DISTRICTS

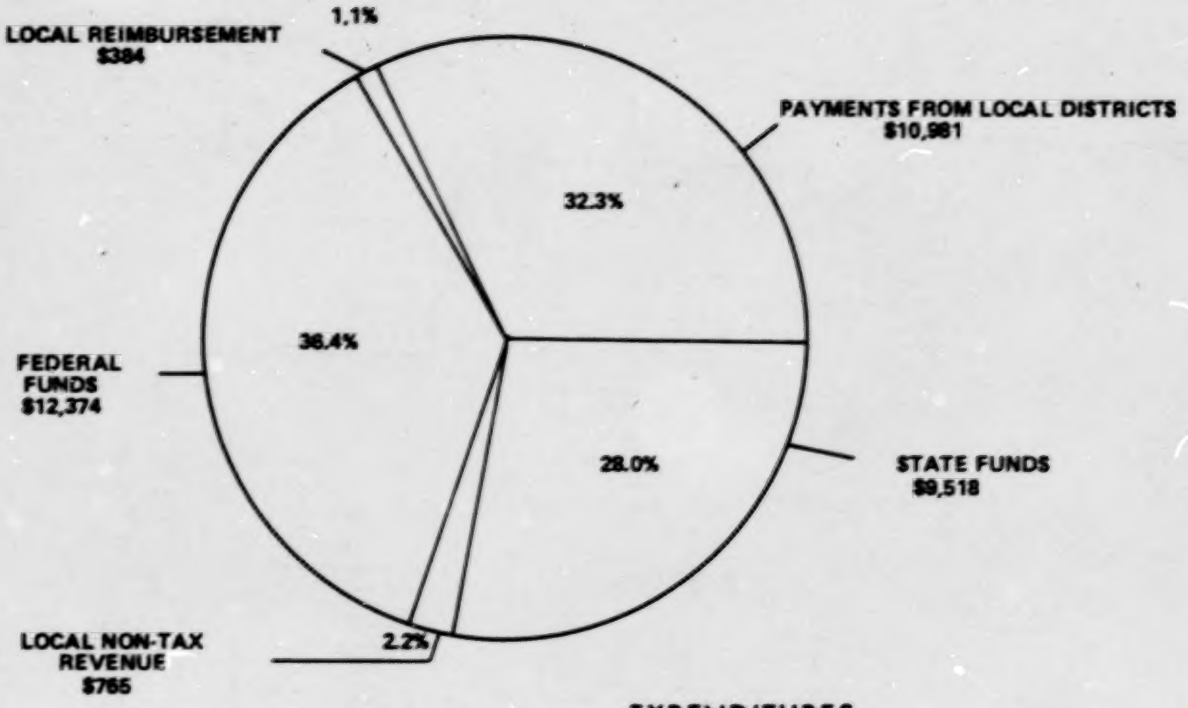
36

State of Washington 37

September 1977

SUMMARY OF ESD BUDGETS FISCAL YEAR 1980-81
AS ADOPTED JULY 1, 1980
($ in Thousands)

REVENUES
(TOTAL=$34,022.0)



EXPENDITURES
(TOTAL=$35,447.0)

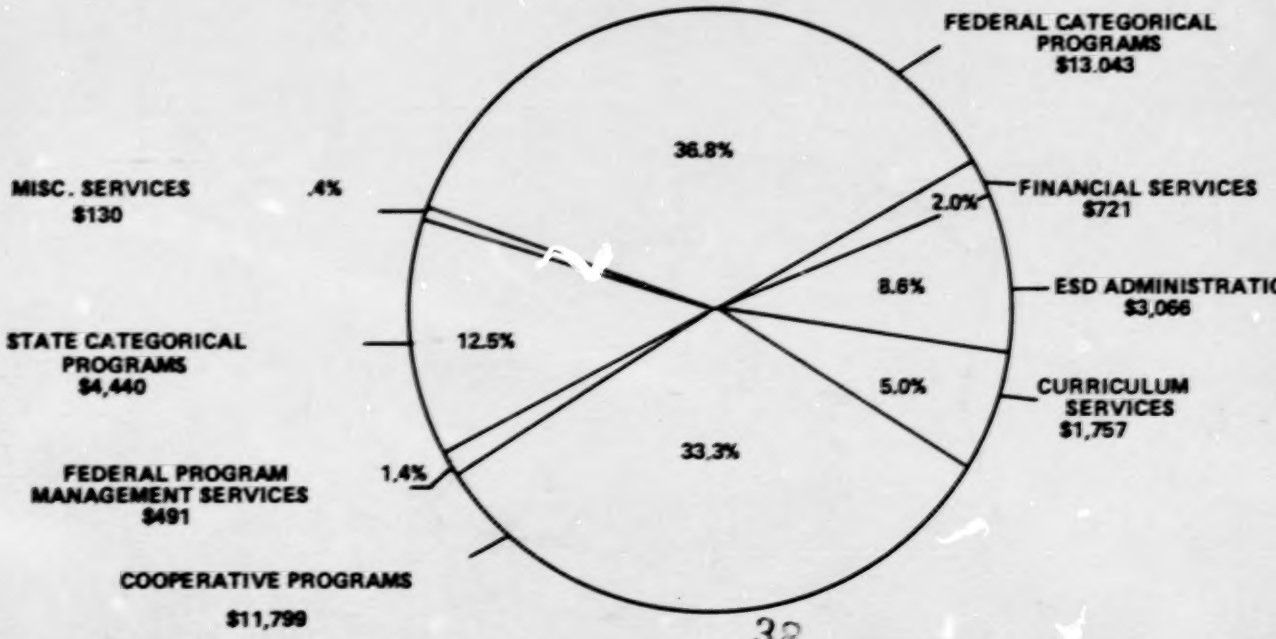


Figure 2

1979-81 STATE GENERAL FUND BUDGET

REVENUE BY SOURCE

$ in Millions

(TOTAL=$6,993.0)

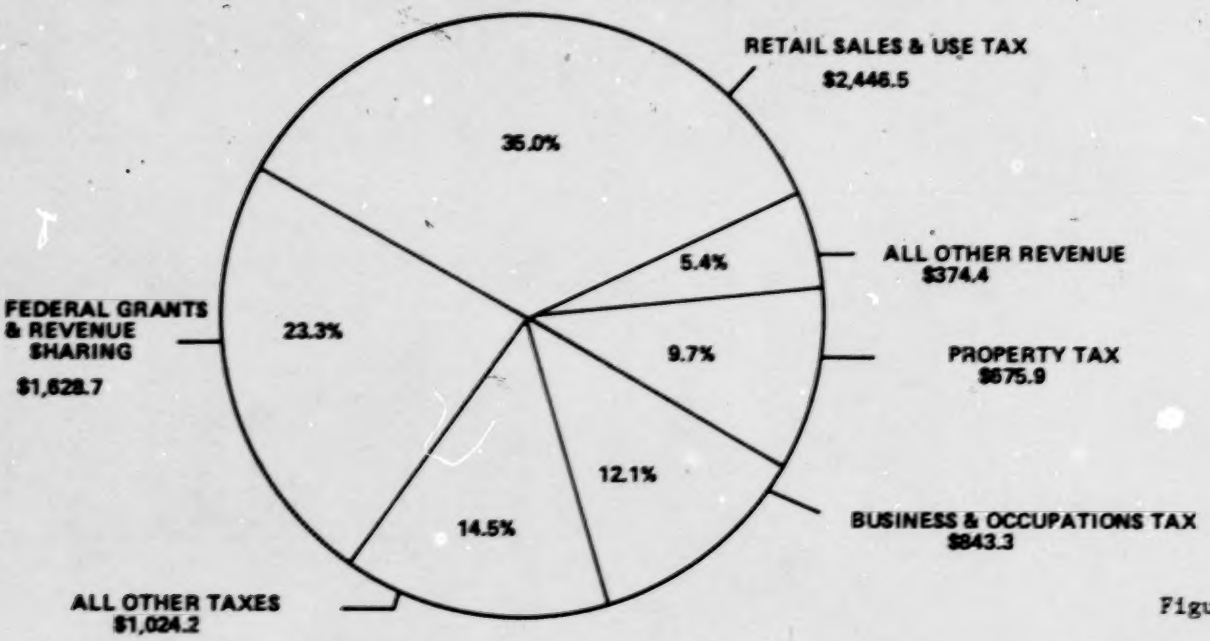


Figure 3

EXPENDITURES BY FUNCTION

$ in Millions

(TOTAL=$7,403.5)

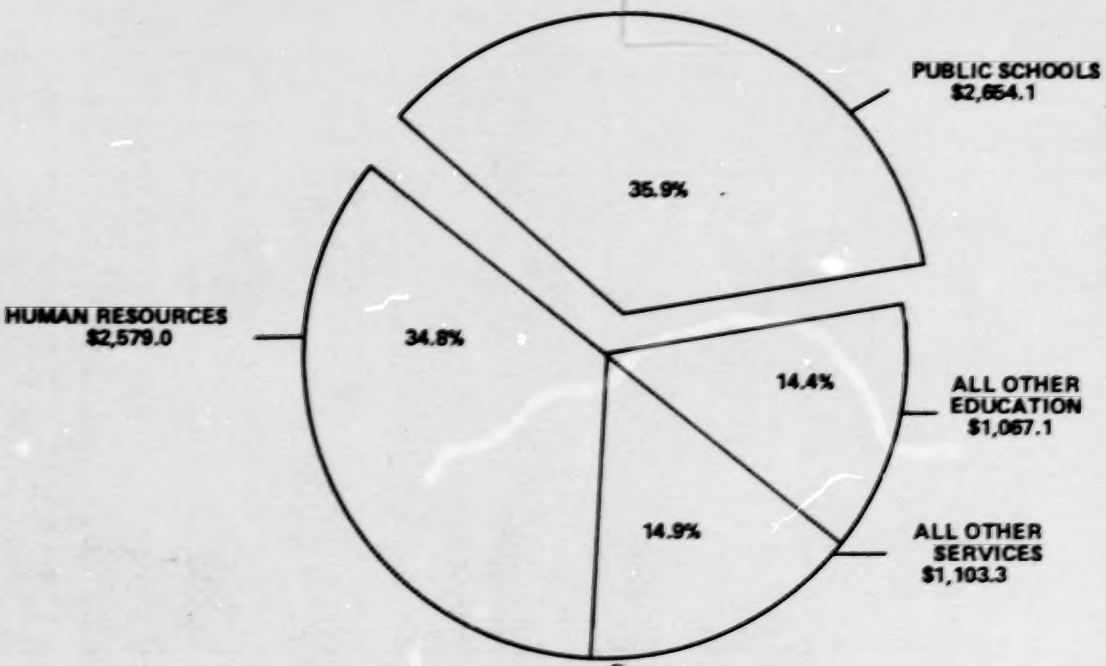


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Figure 4

NUMBER OF DISTRICTS SUBMITTING M&O LEVIES

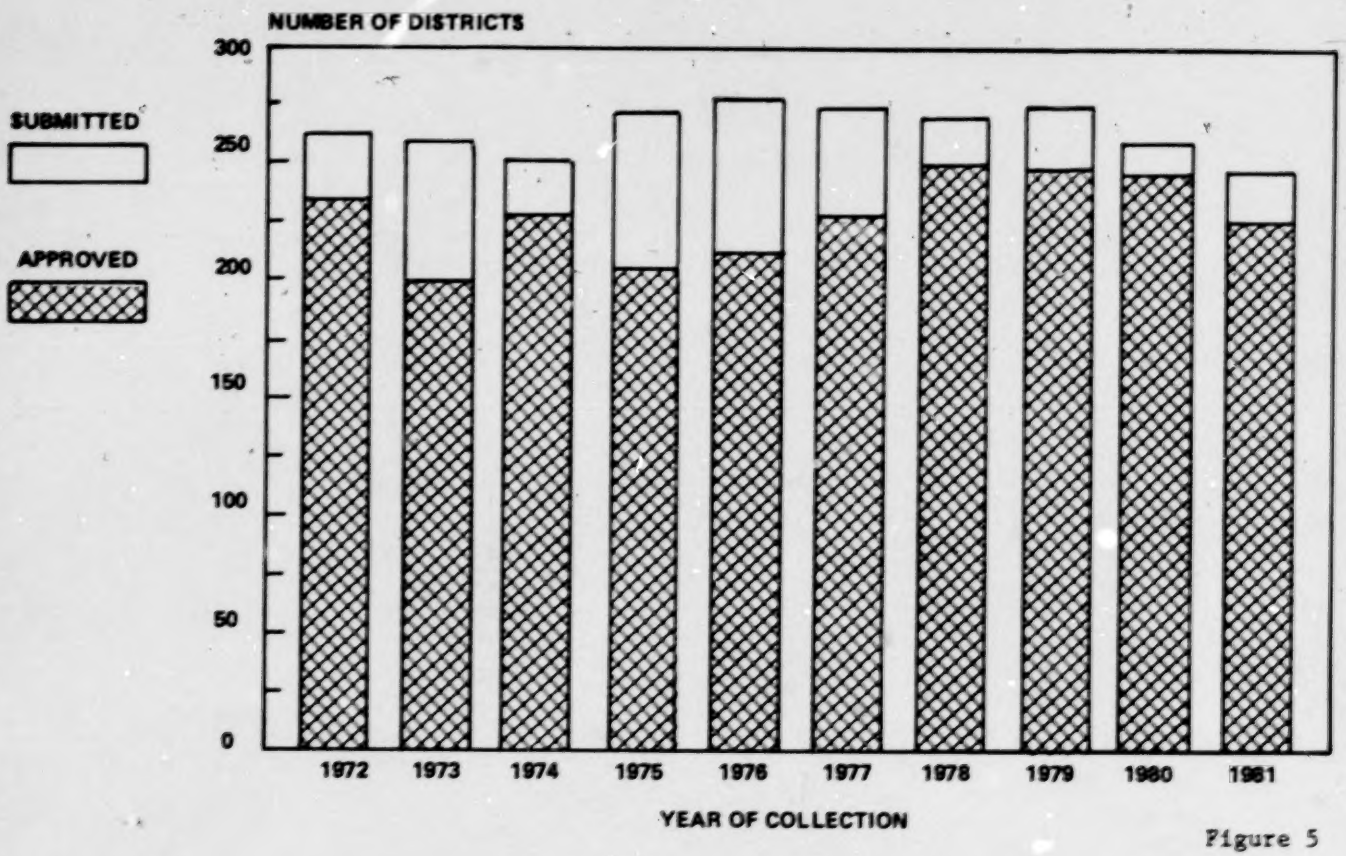

Figure 5

ENROLLMENT OF DISTRICTS SUBMITTING M&O LEVIES

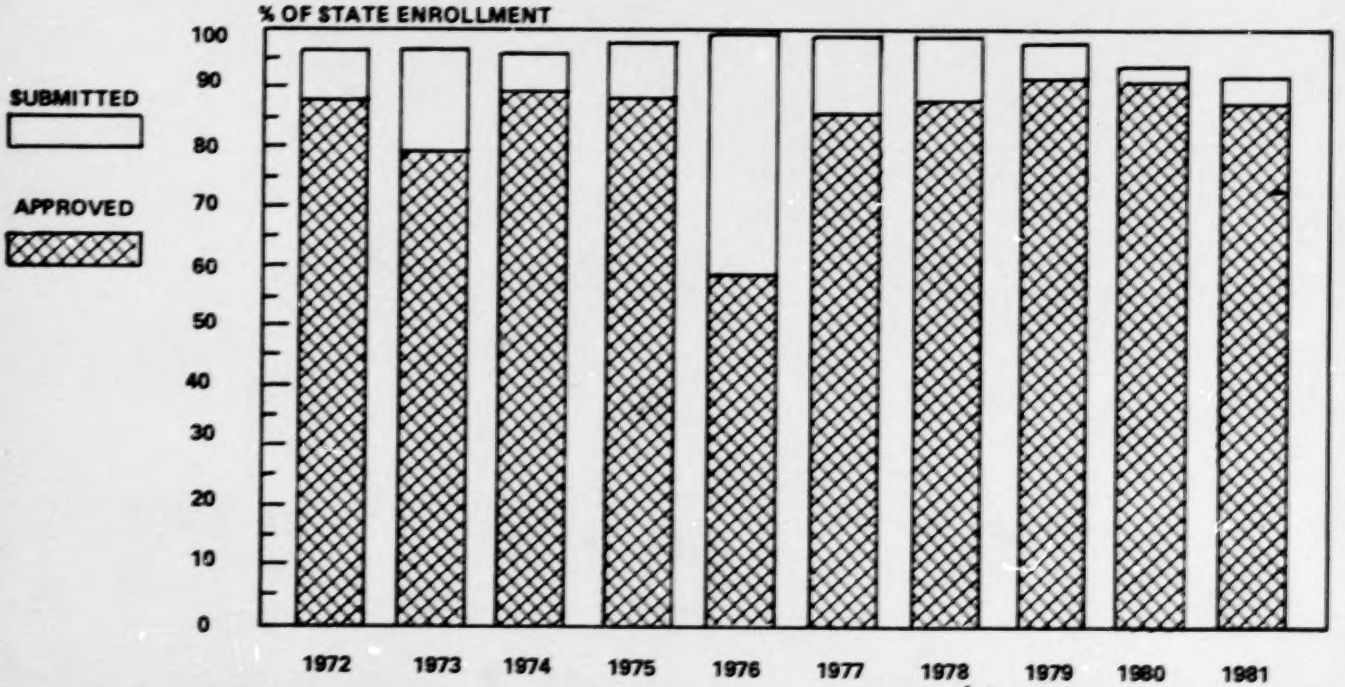

Figure 6

COMPARISON OF CERTIFIED EXCESS LEVIES

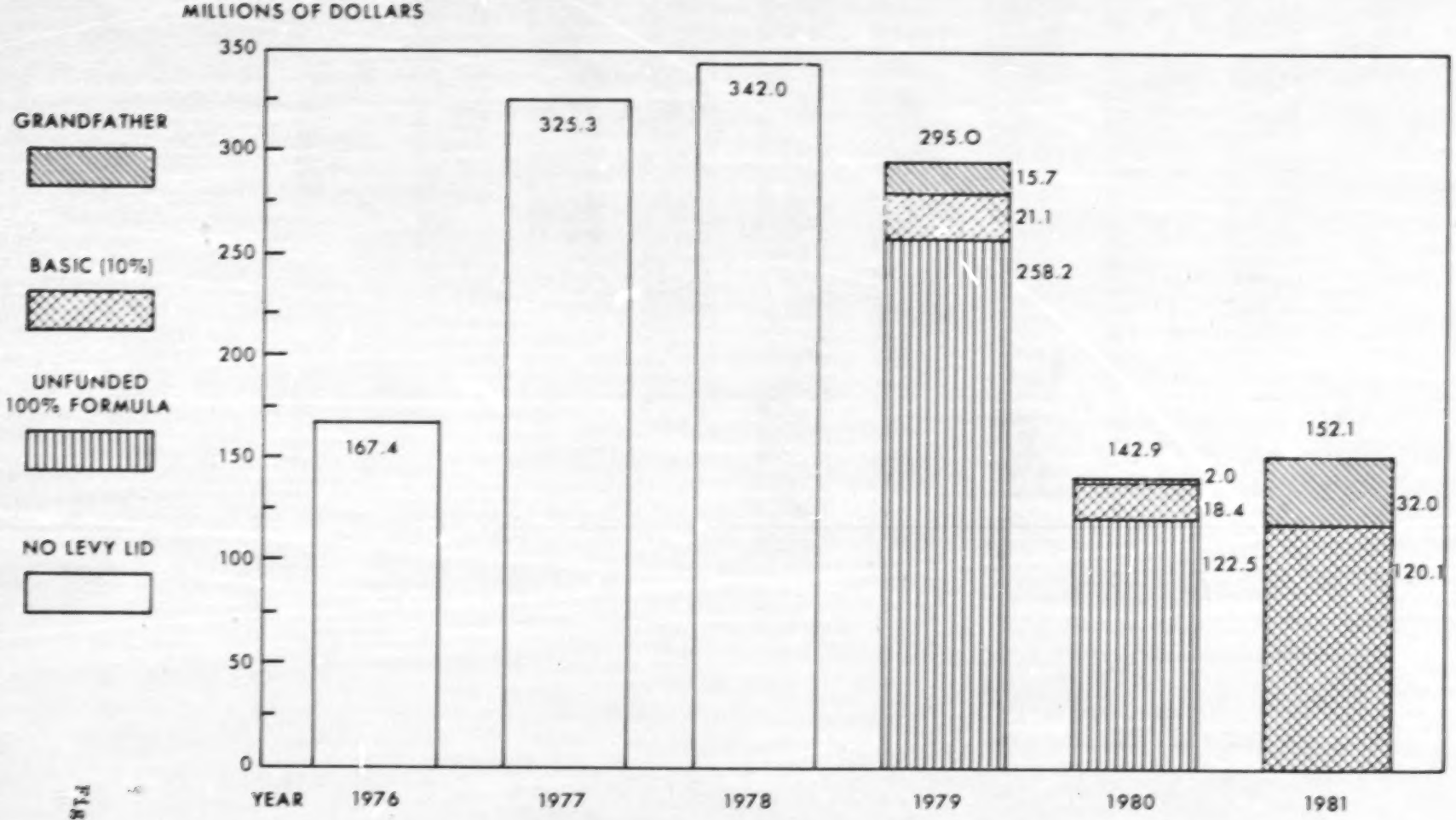

Figure 7

EXCESS LEVIES FOR MAINT. & OPERATIONS

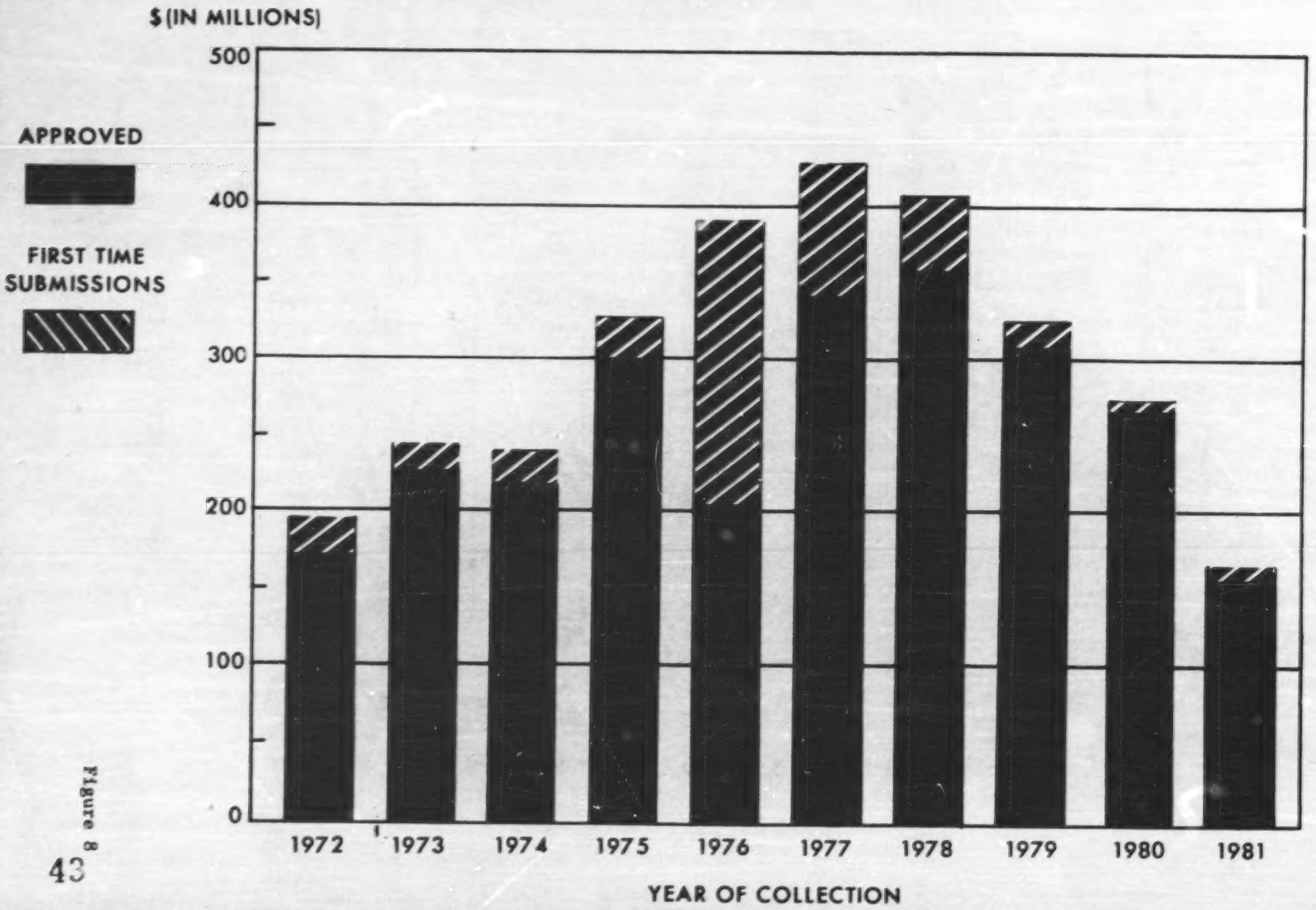

Figure 8

STAFF MIX FACTOR TABLE DEVELOPED

BY LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM

(Staff Mix Table from LEAP Document 1)

EDUCATION EXPERIENCE

Years of Service	BA	BA + 15	BA + 30	BA + 45	BA + 90	BA + 135	MA	MA + 45	PHD or MA + 90	PHD + 45
0	1.000	1.027	1.055	1.083	1.173	1.231	1.173	1.244	1.305	1.368
1	1.037	1.065	1.094	1.124	1.217	1.276	1.217	1.290	1.353	1.419
2	1.075	1.104	1.134	1.167	1.262	1.323	1.262	1.338	1.403	1.471
3	1.115	1.145	1.176	1.211	1.308	1.372	1.308	1.387	1.455	1.526
4	1.156	1.188	1.220	1.257	1.357	1.423	1.357	1.438	1.509	1.582
5	1.199	1.232	1.265	1.305	1.407	1.476	1.407	1.492	1.564	1.641
6	1.244	1.277	1.312	1.355	1.459	1.530	1.459	1.547	1.622	1.701
7	1.290	1.324	1.360	1.406	1.513	1.587	1.513	1.604	1.682	1.764
8	1.337	1.373	1.410	1.460	1.569	1.646	1.569	1.663	1.745	1.830
9		1.424	1.463	1.515	1.627	1.707	1.627	1.725	1.809	1.897
10			1.517	1.573	1.687	1.770	1.687	1.789	1.876	1.968
11				1.633	1.750	1.835	1.750	1.855	1.945	2.040
12					1.815	1.903	1.815	1.924	2.017	2.116
13					1.882	1.973	1.882	1.995	2.092	2.194
14						2.046	1.951	2.069	2.160	2.275

Figure 9

STATE SUMMARY - GENERAL FUND

(Whole Dollars Only)

		Actual 1979-80	Budget 1980-81
Total Beginning Cash and Investments		$ 122,803,404	$ 173,352,353
	---Revenues---		
1000	Local Taxes	207,013,467	144,183,528
2000	County-Administered Funds	85,558,389	91,291,225
3000	State Funds	1,291,739,611	1,407,022,169
4000	Federal Funds	124,433,249	133,263,854
5000	Local Nontax Revenue	33,325,043	20,749,558
6000	Local Reimbursements	47,562,255	48,764,471
7000	Federal Reimbursements	27,263,577	27,488,274
8000	Payments from Other Districts	5,431,655	5,800,765
9000	Permanent Transfers In	250,948	183,691
Total Revenues		1,822,578,194	1,878,747,535
Adjustments		1,889,613	-
Total Receipts		1,824,467,807	1,878,747,535
Total Funds Available		1,947,271,211	2,052,099,888
	---Expenditures---		
00	Basic Education	750,674,251	846,098,038
20	Handicapped	97,221,674	121,306,923
30	Vocational Education	50,616,256	57,411,466
40	State Programs Miscellaneous	60,331,428	70,539,214
50-79	Federal Programs	89,382,737	102,852,576
80	Other Educational Programs	7,565,873	9,414,302
94	General Instructional Support	208,379,772	229,692,734
97	General Support	306,467,490	340,006,748
98	Food Service	66,506,895	74,824,424
99	Pupil Transportation	102,493,946	115,333,544
Total Expenditures		1,739,640,322	1,967,479,969
Adjustments		5,011,893	(790,248)
Total Disbursements		1,744,652,215	1,966,689,721
Total Ending Cash and Investments		$ 202,618,996	$ 85,410,167

Figure 10

STATE SUMMARY - BUILDING FUND

(Whole Dollars Only)

		Actual 1979-80	Budget 1980-81
Total Beginning Cash and Investments		$ 309,538,933	$ 254,397,798
---Revenues---			
1000	Local Taxes	475,294	763,977
2000	County-Administered Funds	7,146,297	2,851,532
3000	State Funds	74,797,539	230,017,079
4000	Federal Funds	7,157,321	7,200,894
5000	Local Nontax Revenue	106,207,951	78,698,012
6000	Local Reimbursements	14,126,368	8,202,273
7000	Federal Reimbursements	-	-
8000	Payments from Other Districts	1,155,835	839,368
9000	Permanent Transfers In	303,880	35,000
Total Revenues		211,370,485	328,608,135
State Matching		(71,520,526)	(226,014,789)
Other Adjustments		22,401,768	-
Total Local Receipts		162,251,727	102,593,346
Total Local Funds Available		471,790,660	356,991,144
---Expenditures---			
0	Undistributed	-	19,733,230
1	Sites	7,345,030	8,207,963
2	Site Improvement	12,541,735	24,510,402
3	Building - New	171,472,769	363,188,801
4	Building - Remodeling	53,607,548	80,371,587
5	Equipping - Building	14,620,394	32,875,149
6	Interest Expense	83,833	83,711
Total Expenditures		259,671,309	528,970,843
State Matching		(71,520,526)	(226,014,789)
Other		23,051,645	(2,297,276)
Total Local Disbursements		211,202,428	300,658,778
Total Ending Cash and Investments		$ 260,588,232	$ 56,332,366

Figure 11

STATE SUMMARY - BOND INTEREST AND REDEMPTION FUND

(Whole Dollars Only)

		Actual 1979-80	Budget 1980-81
Total Beginning Cash and Investments		$ 42,141,367	$ 33,600,031
	---Revenues---		
1000	Local Taxes	78,218,596	88,177,275
2000	County-Administered Funds	613,340	208,255
3000	State Funds	4,228,295	2,066,498
4000	Federal Funds	3,773	2,600
5000	Local Nontax Revenue	3,260,610	1,531,044
6000	Local Reimbursements	-	-
7000	Federal Reimbursements	-	-
8000	Payments from Other Districts	-	-
9000	Permanent Transfers In	204,858	-
Total Revenues		86,529,472	91,985,672
Adjustments		66,238	-
Total Receipts		86,595,710	91,985,672
Total Funds Available		128,737,077	125,585,703
	---Expenditures---		
	Bonds Redeemed	44,278,686	47,559,691
	Bond Interest Paid	41,405,683	46,749,246
	Interfund Loan Interest	4,443	24,188
	Other	130,264	-
Total Expenditures		85,819,076	94,333,125
Adjustments		1,126,118	(36,487)
Total Disbursements		86,945,194	94,296,638
Total Ending Cash and Investments		$ 41,791,883	$ 31,289,065

Figure 12

STATE SUMMARY - ASSOCIATED STUDENT BODY FUND

(Whole Dollars Only)

	Actual 1979-80	Budget 1980-81
Total Beginning Cash and Investments	$ 7,604,948	$ 7,249,692
Total Revenues	27,862,150	34,048,047
Adjustments	75,636	-
Total Receipts	27,937,786	34,048,047
Total Funds Available	35,542,734	41,297,739
Total Expenditures	27,166,259	35,030,318
Adjustments	154,856	17,207
Total Disbursements	27,321,115	35,047,525
Total Ending Cash and Investments	$ 8,221,619	$ 6,250,214

Figure 13

EXPENDITURES BY PROGRAM
GENERAL FUND

(Whole Dollars Only)

		Actual 1979-80	Budget 1980-81
00	Basic Education	$ 750,674,251	$ 846,098,038
21	Handicapped - District Operated	95,109,174	118,345,313
29	Handicapped - Other District	2,112,501	2,961,610
30	Vocational Education - Secondary	50,616,255	57,411,466
41	Traffic Safety	9,433,147	10,370,431
42	Urban, Rural, Racial & Disadvantaged	5,093,700	5,275,968
43	Gifted	2,486,758	4,141,101
44	Remediation	5,954,406	7,039,316
45	Bilingual	3,232,105	4,449,281
46	State Institutions	7,216,655	8,240,467
47	Voc-Tech. Institutes/Skill Center	25,534,403	29,540,536
48	Adult Education	570,412	641,587
49	Other State Programs	809,841	840,527
51	Educational Disadvantaged, ESEA I	29,798,537	34,047,345
53	Migrant, ESEA I	5,097,190	6,310,446
58	Instruc. Materials and Library, IV-B	2,735,551	2,704,416
59	Educational Improvement, IV-C	2,230,926	2,266,019
61	Head Start	2,404,731	2,439,416
62	Youth Training Programs	5,020,660	3,893,531
63	Adult Basic Education - Federal	286,155	466,870
66	Vocational Education - Federal	2,884,698	2,979,540
67	Indian Education, JOM	757,009	647,517
68	Indian Education, Title IV-A	2,441,552	2,688,924
69	Neglected and Delinquent	217,484	405,815
70	Handicapped, Institutions - Federal	684,931	661,372
71	Handicapped, EHA-B	7,586,982	8,993,934
72	Blind and Deaf, EHA-C	238,851	142,227
73	Training, EHA-D	12,030	1,784
75	CETA	10,929,403	13,745,984
76	Voc-Tech. Inst./Skill Center - Federal	890,191	1,287,730
79	Other Federal Programs	15,165,854	19,169,706
81	Nongovernment Funded Programs	1,464,421	1,663,062
83	Summer School	1,113,208	1,358,849
85	Community Services	3,748,469	4,305,392
86	Other Programs	1,239,775	2,086,999
94	General Instructional Support	208,379,772	229,692,734
97	General Supportive Services	306,467,490	340,006,748
98	Food Service	66,506,895	74,824,424
99	Pupil Transportation	102,493,949	115,333,544
	Total Expenditures	$1,739,640,322	$1,967,479,969

Figure 14

SCHOOL DISTRICT GENERAL FUND REVENUES
1980-81 BUDGET
(in Million $)

(TOTAL =$1,878.8)

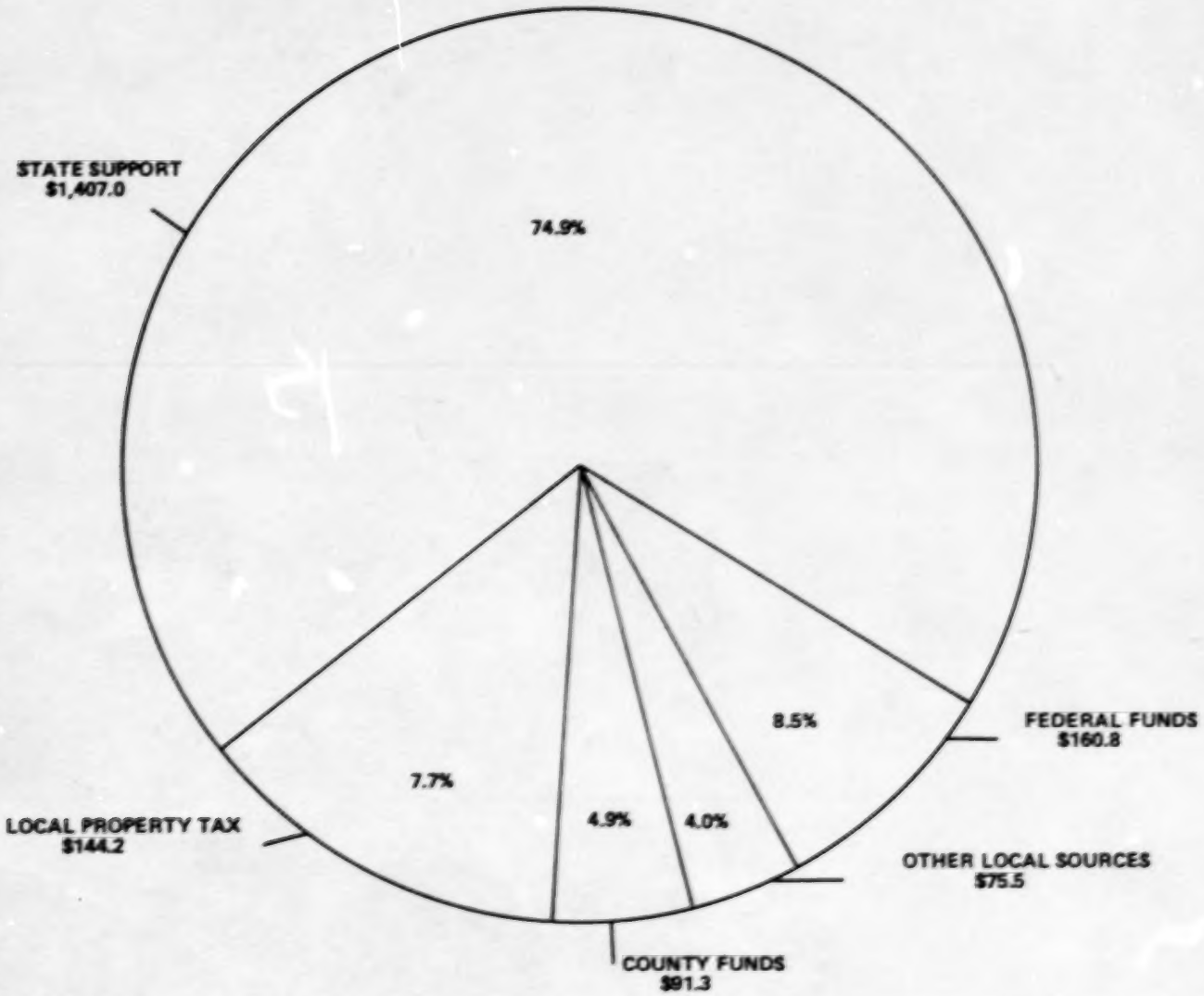

Figure 15

SCHOOL DISTRICT GENERAL FUND EXPENDITURES
1980-81 BUDGET
(in Million $)

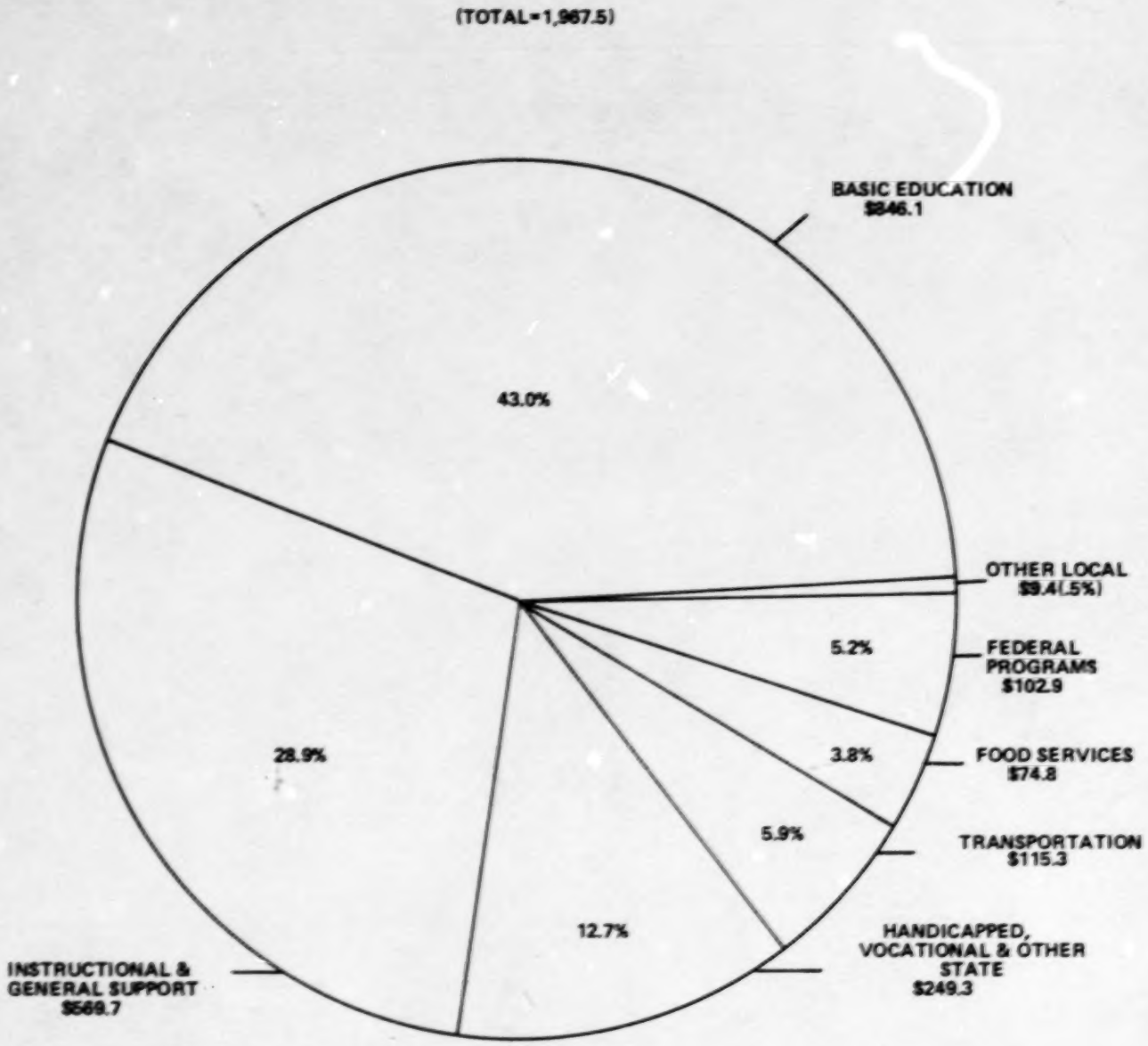

Figure 16